

## **Social protection strategies for an inclusive society: a citizen-centred approach**

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**Note prepared for UN Expert Group Meeting On Promoting Social Integration**

**Helsinki, 8-10<sup>th</sup> July 2008**

### **Conceptualising social exclusion**

This paper is intended as a contribution to the Expert Group deliberations on strategies for building more inclusive societies. While these strategies must straddle different axes of inequality and marginalisation within a society, my focus here is on the socially excluded and I clarify how I am using the term. A great deal of development policy has been dominated by the concern with poverty, the economic deprivation that results from lack of income/assets.

It has paid far less attention to social discrimination, the inequalities of opportunities and outcomes which reflect aspects of social identity. The identities in question may relate to *groups* of people who acknowledge their common membership, have shared beliefs and values and act in collective ways. Caste, ethnicity and religion are examples of such group identities. Alternatively, identity may relate to *categories* of people defined on the basis of some shared characteristic rather than shared values and way of life. Members of these categories do not necessarily know each other and share very little in common, aside from the nature of the discrimination they face. Street children, women, the elderly, gay and lesbian people, racial minorities, the disabled, people with leprosy or AIDS and undocumented migrants are examples of categories of people who face discrimination on the basis of some aspect of their identity.

Processes of cultural devaluation are key mechanisms through which identity-based discrimination occurs. These draw on beliefs, norms and values to disparage, stereotype, invisibilise, ridicule and demean certain groups and categories and thereby both explain and legitimate the denial of full rights of participation in the economic, social and political life of that society to these groups. Such processes can have profound effects on the sense of self-worth and 'sense of agency' of those who are treated in this way and on the terms on which they are able to access the resources and opportunities in different spheres of their society.

However, not all categories, or members of groups and categories that face social discrimination are necessarily poor. I use the concept of social exclusion to refer to the intersection of economic deprivation and social discrimination. In other words, I am concerned with those sections of the poor who also face identity-based discrimination (Kabeer refs). There is sufficient evidence from both developed and developing countries to suggest that this

intersection results in the disproportionate representation of socially excluded groups among the ranks of the chronic and extreme poor, attesting to the durable nature of this inequality.

### **Social protection for inclusive societies**

I would like to argue that social protection strategies have an important role to play in addressing these durable inequalities and building inclusive societies. The growing prominence of social protection within national and international agendas is a response to the recognition that the expansion of markets and their increasing global integration has brought new opportunities but also new risks as well as increased vulnerability as more and more people find themselves working in casual activities on an informal basis with little protection from volatile market forces. While there are some divergences in the way that different agencies think about social protection, there are also some common elements.

There is agreement that social protection measures must move beyond the narrow focus of the safety net policy discourse which dominated the structural adjustment years which focused on assisting the losers in the adjustment process or helping the poor to cope with crisis. The new thinking recognises the need for *ex ante* rather than *ex post* provision so that risk can be reduced or mitigated rather than simply coped with in the advent of crisis. It also recognises that public, private, civil society and community organisations all share responsibility for provision – although ultimate responsibility for ensuring social protection for all must lie with the state in any democratic society. And while there is acceptance that social protection measures can provide a springboard out of poverty, there is less consensus on whether it should play a transformative role, addressing the causes as well as the symptoms of vulnerability.

Social exclusion has a specific relevance for the policy discourse on vulnerability because it introduces the idea of vulnerability as the product of unequal relationships rather than of specific shock episodes: socially excluded groups are vulnerable, not only because they have fewer income sources or assets to fall back in the event of a crisis episode but because they face on-going discrimination in their attempts to provide for themselves and their dependents. They must earn their living through the exploitative, largely informal activities, often relying on highly unequal patron-client relationships, including interlocking contracts and bonded labour, to secure their basic needs on a daily basis.

Such economic vulnerability has implications for political capabilities. Not only are socially excluded groups denied access to the formal structures of decision-making which govern the collective life of a society but their dependent status within patronage relationships undermines their capacity to exercise voice and agency on their own behalf, their capacity, in other words, to act like citizens. Strategies to build more inclusive societies must therefore operate on these multiple dimensions of exclusion:

### **Some lessons from experience**

There are sufficient lessons from around the world to suggest that social protection interventions can be designed to reach out to socially marginalised groups and address the underlying causes of their exclusion. Reform of the Child Support Grant in South Africa has helped to redirect cash transfers from white, coloured and Indian mothers to African mothers who are among the poorest and most discriminated against sections of the population. Unconditional cash transfers in Brazil were able to reach families in extreme social isolation,

'the Brazil that is poor, non-white and with scarce social mobility opportunities' (p.5). An important impact of the Programme related to the sense of citizenship among these marginalised groups: the need to obtain documents, such as birth certificates and identity cards, in order to register and apply for the Bolsa Familia, was the first contact with the state for many of them and brought home to them that they were a part of a larger social entity which went beyond their immediate neighbourhood. According to one of the managers of the programme, the process of obtaining the documentation necessary to get a Bolsa Familia card 'caused a *revolution*, an overturning of awareness of the social space that they can seek to belong to...'p. 58.

In Orissa, the poorest state in India, Action Aid has pioneered residential care centres, located in local primary schools, in order that children of poor tribal families who must migrate on a seasonal basis to find employment in other parts of the country do not have to accompany their parents and hence interrupt their schooling. To facilitate the education of children who did migrate with their parents, the organisation started 'Bridge Course' centres in the destination locations with teachers drawn from the migrant community.

The capacity of India's mid-day meal schemes for school children to reach children of the 'untouchable' castes was found to reflect the commitment of different state governments. It performed best in those states where the schemes were implemented in low-caste areas and where provision was made to recruit women from the lower castes to cook the meals. Villagers in Pakistan reported that the cooked meals provided to school children under the Tawana programme provided a rare occasion when children from different status groups ate together.

While it was largely members of the lower castes who took advantage of the Maharashtra employment guarantee scheme, the scheme also drew in a disproportionate percentage of women from the lower castes because of provisions for crèches and because there was no wage discrimination. In societies like Bangladesh which have a tradition of female seclusion, female only rural roads programmes were able to draw in large numbers of destitute women. In contexts where there is a high incidence of HIV-AIDS, it has been suggested that cash-for-care programmes would provide important source of support to those caring for people with AIDs or children orphaned by AIDS.

Microfinance is an important and versatile instrument that can be designed to protect as well as promote the livelihoods of the poor and socially excluded. Studies from the Indian context suggest that they have reached high percentages of lower caste beneficiaries, mainly women. However, programmes that are deliberately targeted to the extremely poor and socially marginalised in both South Asia and sub-Saharan Africa have had to adapt their pace, scale and effort-intensity to the constraints of these groups. A premature emphasis on the financial sustainability of these efforts runs the risk that they will completely bypass the poorest and most excluded sections. The Self-help group approach used by a number of NGOs working with indigenous groups in some of India's poorest states focus on building up the savings capacity of their membership before moving to the credit stage. They also provide other forms of support, including literacy and numeracy, accounting skills, education on their rights and so on. In Bangladesh, BRAC has designed a special programme for the ultra-poor, largely destitute women, who have failed to benefit from its mainstream microfinance efforts. The programme combines cash transfers, training, savings and intensive support from staff. The aim is to change the attitudes of the ultra poor towards taking control of their lives as much as it is improving their economic situation.

The trust built up among micro-finance groups may explain why they are often more successful to moving into micro-insurance than other community-based schemes. It is worth noting that

specialised sources of micro-credit that bypass the need to rely on landlords or employers to mediate or guarantee loans has been suggested as a short-term solution to the problem of bonded labour in Pakistan (Ercelawn and Nauman, 2001).

Cash transfers for those too old, too disabled or simply too poor to earn a living is another intervention with potential to address social marginalisation. In Zambia, it was found that the 10% of the worst off households were least likely to benefit from self-employment or labour-based schemes because they had few or no able-bodied adult household members: AIDS had killed their productive members, leaving grandparents too old to work and orphans too young. Many were female headed. Experiment with a cash transfer scheme have allowed beneficiaries not only to purchase basic necessities but also to invest in small livestock, pay for labour to plough their fields and contributing to informal rotating credit schemes.

The South African system of social transfers is targeted to the elderly, to the disabled and to children in poor families. Its Old Age Pension is a non-contributory monthly transfer paid to the elderly on the basis of a means test. Originally intended for whites only, it has been extended over time to the rest of the population. Recent studies have found that it was well targeted to the poor, going predominantly to Africans who were among the poorest in the population. A number of countries have also introduced non-contributory 'social pensions'. Bolivia has introduced a universal non-contributory pension (BONOSOL) while Brazil has a similar system for rural workers (FINRURAL). Chile which was one of the first to introduce privatised pensions and health systems in Latin America is now taking the lead in introducing a non-contributory pillar that guarantees a solidarity pension to all citizens over 65 years old. While it is universal, the subsidy to those who receive other pensions is being gradually reduced, lowering the demand on public funds and providing incentives to contribute to the system.

India has recently introduced a bill to regulate the employment and service conditions of unorganised workers to provide for their safety, social security, health and welfare to be funded by a new Welfare Fund financed by government and registered employees. In the Philippines, the statutory social security system and health insurance plans have increased coverage through voluntary schemes opened to self-employed workers.

### **Affording social protection**

Vulnerability offers the potential for building strategies on the basis of cross-class solidarity in a way that poverty reduction strategies do not, since it is not only the poor that face a variety of risks to their well-being and livelihoods but better off sections of society as well. In turn, the goal of building social protection for all holds out the possibility of creating universalist social floor that can provide the basic foundation on which poor and vulnerable groups can move out of risk-minimising but low-productivity activities or exploitative patron client relationships that nevertheless provide them with some degree of security into riskier but more productive activities or working relationships that offer a greater degree of voice and dignity.

However, the poor have generally been left out of formal social protection provision because of the dispersed nature of their employment, the irregularity of their incomes and their inability to contribute to social security schemes. While the various programmes discussed above have been more successful in reaching the poor, it is clear that they have to be appropriately designed and

may need additional effort and resources if they are to reach socially excluded sections of the poor. This raises the question of their affordability since these would require full or partial social transfers. The discussions on the financing of social protection cover both the obvious sources (donor assistance, increasing national revenues from taxation, re-allocating public expenditure) as well as the less obvious sources (cutting back subsidies to the rich, global and national redistribution through taxation of carbon emissions or speculative capital flows).

However, the affordability question takes on a somewhat different meaning if the calculus of costs and benefits of social protection are cast in a more dynamic time frame and its contribution to broader development goals are set against current resources costs. The idea of social protection as 'springboard' out of poverty has gained considerable acceptance in the mainstream policy discourse. As we noted earlier, some form of basic ex ante safety net allow the risk-averse poor a basis from which they can move out of low-risk/low productivity activities into more productive but riskier activities which can generate a surplus for future investment.

However, there are other ways in which social protection can contribute to broader development goals. The building of infrastructure through public works programmes is one example.. In Bangladesh, not only did the Rural Maintenance Programme provide destitute rural women with employment and a sense of economic independence but building all weather roads increased the trade activities as well as the ability of the less physically mobile – women, girls, the elderly – to access health and other social services. The 'guarantee' element of the Maharashtra Employment Guarantee scheme led to active mobilisation by landless groups around work and payment schedules because it was seen as a right. Microfinance has generated employment beyond borrowing households; it has also contributed to increases in children's education and – in some places – a reduction in child labour.

Evidence from Sub-Saharan Africa and Brazil suggest that pensions, particularly to grandmothers, often benefit the nutrition and education of grandchildren and hence constitute an investment in future workers and citizens. There is also evidence that these monthly cash transfers have helped households to move from subsistence agriculture to sustainable household production: their regularity and predictability allow them to obtain credit from sources otherwise closed to them and support small business development.

More recent research tracks positive changes to others within the communities in which these interventions are located, suggesting multiplier and secondary effects: non-recipient households in communities received the conditional cash transfer in Mexico reported higher levels of assets and consumption levels than equivalent households in communities in control areas. The interest rates charged by money lenders are often lower in areas with microfinance schemes while in Bangladesh, contraceptive use was higher in villages in which Grameen Bank was present, regardless of whether or not families were members of Grameen Bank groups.

Some of these developmental effects can generate revenue in the future if the poor graduate sufficiently out of poverty to become tax payers. Other save on costs: health shocks that go uncovered or failure to anticipate global market fluctuations can impose far larger costs on society relative to what basic ex ante protection measures might have cost.

